GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3343
ANSWERED ON:04.08.2017
Taxes on Mining
Kushwaha Shri Ram Kumar Sharma

Will the Minister of FINANCE be pleased to state:

(a) whether the mining have become on-profitable due to unjustified tax levied on the mines affecting foreign investment in the country;

(b) if so, the reaction of the Government thereto;

(c) the types and rate of taxes levied on mining in the country; and

(d) the steps taken by the Government to reduce the taxes levied on mines?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a): No, Sir.

(b): Does not arise in view of (a) above.

(c): GST is levied at 18% on the assignment of right to explore and exploit minerals granted by the Government to a business entity. GST is also levied at 5% on most minerals supplied by such business entities in the course or furtherance of business. Supply of coal, lignite and peat, in addition, attracts GST Compensation Cess at the rate of Rs. 400 per tonne.

(d): These rates have been decided on the recommendations of the GST Council.
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